

Department of the Treasury  
Internal Revenue Service

Release Number: **200714028**

Release Date: 4/6/07

UIL Code: 501.06-01

ORG

Identification Number:  
Contact Telephone Number:  
In Reply Refer to: TE/GE Review Staff

Dear

This is a Final Adverse Determination as to your exempt status under section 501(c) (6) of the Internal Revenue Code.

Our adverse determination was made for the following reasons: Organization did not respond to any document requests in order to determine whether the organization met the requirements for exemption.

The ORG, fails to meet the requirement for exemption under IRC 501(c) (6). Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having some common business interest, the purpose of which is to promote such common interest and not engage in a regular business of a kind ordinarily carried on for profit.

As a result of a recent audit of your organization's activities and Form 990 for the period ended Date2, you failed to provide information to determine whether the operation is organized and operating solely for a common business interest.

Based on the above, we are revoking your organization's exemption from Federal income tax under section 501(c) (6) of the Internal Revenue Code effective Date1.

You are required to file Federal income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for all years beginning after Date2.

You are required to file Form 1120, U.S. Corporation Income Tax Return. Form 1120 must be filed by the 15<sup>th</sup> day of the third month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above since this person can access your tax information and can help you get answers. You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance. Or you can contact the Taxpayer Advocate from the site where the tax deficiency was determined by calling, or writing to:

#### Local Taxpayer Advocate

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

Marsha A. Ramirez  
Director, EO Examinations

Form 886-A	Explanation of Items	Schedule No. or Exhibit
Name of Taxpayer ORG.		Year/Period Ended Date2

Legend:

ORG=

NUM=

Date1 =

Date2=

**Issues** – Whether the organization had any activities that warrants continued exemption under section 501(c)(6). Whether the organization maintained books and records required of a tax exempt organization.

**Facts** – We have sent letters to the organization on March 2, 20xx, April 14, 20xx, May 26, 20xx, and July 17, . The organization has not provided any documents to show that their activities further their exempt purpose nor that they maintain books and records.

**Law** - Section 6001 of the Internal Revenue Code, requiring records, statements, and special returns, states in part:

Every person liable for any tax imposed by this title, or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements, or keep such records, as the Secretary deems sufficient to show whether or not such person is liable for tax under this title.

Section 7602 of the Internal Revenue Code, Examination of Books and Witnesses, states in part the following:

For the purpose of ascertaining the correctness of any return, making a return where none has been made, determining the liability of any person for any internal revenue tax or the liability at law or in equity of any transferee or fiduciary of any person in respect of any internal revenue tax, or collecting any such liability, the Secretary is authorized- (1) To examine any books, papers, records, or other data which may be relevant or material to such inquiry.

Section 1.6033-2(i)(2) of the Income Tax Regulations provides, in part,

...that every organization exempt from tax shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status. Failure to comply with our request for information could result in the loss of your tax-exempt status.

<b>Form 886-A</b>	<b>Explanation of Items</b>	<b>Schedule No. or Exhibit</b>
<b>Name of Taxpayer</b> ORG.		<b>Year/Period Ended</b> Date2

**Government's Position** - Since the organization did not provide requested records needed to conduct our examination, the organization has not met the requirements to maintain its tax exemption.

**Taxpayer's Position** - The taxpayer is unresponsive.

**Conclusion** - Based on the information above, we are proposing revocation of the organization's tax exemption.

The proposed effective date of the revocation is Date1.

The organization does not continue to qualify for tax exemption under section 501(c)(6).



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

**DEPARTMENT OF THE TREASURY**

Internal Revenue Service  
TE/GE EO Examinations  
1100 Commerce Street  
Dallas, TX 75242

Taxpayer Identification Number:

ORG

Form:

990

Tax Year(s) Ended:

Date 2

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

Dear

We have enclosed a copy of our report of examination explaining why we believe an adjustment of your organization's exempt status is necessary.

If you do not agree with our position you may appeal your case. The enclosed Publication 3498, *The Examination Process*, explains how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

If you request a conference, we will forward your written statement of protest to the Appeals Office and they will contact you. For your convenience, an envelope is enclosed.

If you and Appeals do not agree on some or all of the issues after your Appeals conference, or if you do not request an Appeals conference, you may file suit in United States Tax Court, the United States Court of Federal Claims, or United States District Court, after satisfying procedural and jurisdictional requirements as described in Publication 3498.

Letter 3610 (04-2002)  
Catalog Number 34801V

You may also request that we refer this matter for technical advice as explained in Publication 892, *Exempt Organization Appeal Procedures for Unagreed Issues*. If a determination letter is issued to you based on technical advice, no further administrative appeal is available to you within the IRS on the issue that was the subject of the technical advice.

If you accept our findings, please sign and return the enclosed Form 6018, *Consent to Proposed Adverse Action*. We will then send you a final letter modifying or revoking exempt status. If we do not hear from you within 30 days from the date of this letter, we will process your case on the basis of the recommendations shown in the report of examination and this letter will become final. In that event, you will be required to file Federal income tax returns for the tax period(s) shown above. File these returns with the Ogden Service Center within 60 days from the date of this letter, unless a request for an extension of time is granted. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Marsha Ramirez  
Director, EO Examinations

Enclosures:  
Publication 892  
Publication 3498  
Form 6018  
Report of Examination  
Envelope